

EXHIBIT M

Loss Adjustment Expense Control...(Ongoing – Assigned: Doug Walters)

Define, refine, and implement strategies that will assist United Fire Group in controlling loss adjustment expense (LAE).

For the purpose of this objective LAE is comprised of:

Independent Adjustment Expense	Cause and Origin Expense
Legal Professional Expense	Accident Reconstruction Expert Expense
Attorney Fees Expense	Police Report Expense
Miscellaneous Expense	Arbitration and Mediation Expense
Surveillance Expense	Forensic Accountants
Medical Records Expense	Medical Bill Review
Miscellaneous Medical Expense	Miscellaneous Attorney Fees
Salvage and Subrogation Expense	

Strategy

1. Review adjuster production standards and revise if necessary. Once standards set, put controls in place to see those standards are met.
2. Review and revise, if necessary, claim assignment criteria to ensure claims are being assigned to the proper adjuster.
3. Independents will not be used in areas where we have field staff unless approved by the supervisor.
4. Review where present independent adjuster expenses are being generated and determine if territory warrants staff adjuster.
5. Review staff Adjuster workloads, if possible expansion of staff Adjuster territories should be considered if staff workloads are less than production standards that have been put in place.
6. Management personnel should periodically review all independent files and determine which ones can be transferred to staff for wrap up.
7. Audit all expense billings for accuracy.
8. Active review of all expense billings evident in the claim file on the billing itself or in the file notes.
9. Branch manager approval required to utilize accident reconstructionist, surveillance, forensic accountants, and cause and origin experts.

Measurement

1. Compare claim count to LAE paid to determine average LAE paid per file. Hold average paid per claim at or below 2010 average paid per claim. (This would now include all expenses.)
2. Compare earned premium to loss adjustment expense. Hold LAE percentage rate of increase at or below earned premium percentage rate of increase. The benchmark for the ALE incurred to earned premium is 6%. This benchmark will be compared during 2011.